

Todd Kremin

From: Henry Warner
Sent: Monday, June 05, 2006 10:52 AM
To: 'Matt Samuel'
Cc: Robert Trumpy; 'Andrew B. Worden'
Subject: RE: Biosafe Medical Letter of Intent

Matt:

Thanks for the LOI. Before I forward this on to legal and accounting, let me ask 2 quick questions:

1. In talking to Andrew, I understood that Barron's valuation formula uses a 7 multiple applied to a corrected EBITDA. With a \$1.85M EBITDA less \$400,000 in new "public costs" and \$180,000 in recurring capital, I get a corrected EBITDA of \$1.27. This number times 7 gives a cap of approximately \$8.9M. Your proposal appears to be valued at approximately \$5M. Please explain what I have misunderstood.
2. In correcting EBITDA for the public entity, a credit of \$180,000 in "recurring capital expenditures" is listed. Did this come from our numbers? Please explain what this is.

Thanks,

Hank

Henry A. Warner
 Chief Executive Officer
 BIOSAFE Medical Technologies, inc.
 847-234-8111

From: Matt Samuel [mailto:mcs@barronpartners.com]
Sent: Friday, June 02, 2006 1:08 PM
To: Henry Warner
Cc: Robert Trumpy; 'Andrew B. Worden'
Subject: Biosafe Medical Letter of Intent

Mr. Warner,

I have attached the Barron Partners letter of Intent for Biosafe Medical Technologies. Please review the terms, and feel free to contact me with any questions. Thank you for your time and we look forward to becoming your financial partner.

Regards,

Matthew C T Samuel
 Junior Analyst
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